

Atlanta Mayor Shirley Franklin's Statement to Congressional Democratic Leadership  
Hearing on State and Local Fiscal Crises

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The infrastructure of American cities is falling apart, but Congress and the administration are doing very little to rebuild America. Over the past decades, changes in federal policy have meant local governments have had to fulfill ever-increasing responsibilities with ever-diminishing amounts of federal assistance.

Federal tax cuts have, by and large, resulted in increased local taxes as those governments are forced to provide services and infrastructure without help from the federal government. Our needs have continued to increase, but we can no longer rely on Washington to provide necessary financial support to meet our needs. The greatest danger here is that prosperous communities will struggle to make ends meet, while poorer locales will simply fail to keep up. From homeland security to transportation and infrastructure, local governments largely agree with federal regulatory goals – all that we ask is that Congress and the administration put their money.

When the Clean Water Act was first passed, local governments could count on the federal government picking up 75 percent of the cost. Now, we are lucky to receive 10 percent, and many will receive none. We all agree on the need to provide clean water – indeed, the administration even appears to believe that it is enough of a priority to justify sending billions of dollars to repair Iraq's water and sewer systems. Why then isn't repairing American water and sewer systems also a priority?

In Atlanta, we face a federal court-ordered consent decree to repair our water and sewer systems by 2007 at a cost of more than \$3 billion. Without federal assistance, our families will be forced to pay as much as \$1,800 more in annual water bills -- an impossible sum for many families. Imagine, too, what will happen to hotels and restaurants in Atlanta and the surrounding region. A medium-size downtown hotel will soon have to pay \$75,000 a month in water and sewer bills.

Tourism and travel are Atlanta's largest industry, employing tens of thousands and generating billions in economic growth. Sharply increased rates will force layoffs and further hurt a population struggling to pay staggering bills. Federal inaction and neglect of urban America leaves us with a Hobbesian choice – either choose not to make the necessary improvements and fail to meet our moral obligation to the millions who live in Atlanta and downstream, or impoverish ourselves trying.

This is happening all across our country, and on a massive scale – estimates are that \$1.6 trillion is necessary to simply catch up nationally. It is a nationwide crisis that requires a federal solution. America's vast infrastructure affects all our lives, from the water we drink to the electricity in our automobile plants. Congress and the next president must lead on this issue. A national debate on urban policy must take place. Our future is at stake.

SHIRLEY FRANKLIN